

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

THE GEO GROUP, Inc.)	
)	
Plaintiff,)	
)	
v.)	Case No. <u>CIV-23-1014-G</u>
)	
HINTON ECONOMIC)	
DEVELOPMENT AUTHORITY, a)	
Public Trust, and THE TOWN OF)	
HINTON, OKLAHOMA,)	
)	
Defendants.)	

COMPLAINT FOR DECLARATORY JUDGMENT

COMES NOW the Plaintiff, The GEO Group, Inc., (hereinafter “GEO Group”) by and through counsel of record, and hereby seeks a Declaratory Judgment pursuant to 28 U.S.C. §2201 *et seq.*, determining the rights and obligations of the parties under certain agreements as hereinafter fully set forth.

JURISDICTION AND VENUE

1. GEO Group is a corporation incorporated under the laws of the State of Florida, with its principle place of business in the State of Florida.

2. The Defendant, Hinton Economic Development Authority is a public trust created pursuant to a Trust Indenture dated June 29, 1987. The Hinton Economic Development Authority (hereinafter “HEDA”) is formed and operated under the laws of the State of Oklahoma with its principle situs of operations within

the State of Oklahoma. The beneficiary of the HEDA public trust is the Town of Hinton, Oklahoma (hereinafter “Hinton.”).

3. Hinton is a municipality formed and existing under the laws of the State of Oklahoma. Hinton is incorporated entirely within the State of Oklahoma.

4. This Court has original jurisdiction pursuant to 28 U.S.C. §1332, because the amount in controversy exceeds Seventy-five Thousand Dollars (\$75,000.00) exclusive of interest and costs and the action is between citizens of different states.

5. Venue is proper pursuant to 28 U.S.C. §1391(b)(1) and/or 1391(b)(2).

FACTS

6. HEDA is the owner of certain land and the Great Plains Correctional Facility located in Caddo County, Oklahoma (hereinafter known as the “Facility”).

7. On December 31, 1999, HEDA, with the Town of Hinton as its beneficiary, entered into a Lease Agreement with Cornell Corrections of Oklahoma, Inc. Under the terms of that Lease Agreement, Cornell Corrections of Oklahoma, Inc. leased the Facility from HEDA and agreed to pay an annual rental in arrears as set forth under the terms of the Lease Agreement.

8. GEO Group is the successor in interest to Cornell Corrections of Oklahoma, Inc., and is the present holder of all rights granted to Cornell Corrections of Oklahoma, Inc., under the terms of the Lease Agreement.

9. Section 9.01 of the Lease Agreement provides that the Lessee (now GEO Group) may “without restriction ... sublease the Leased Premises, or any part thereof,

to any Person, all without the necessity of giving notice to, or obtain the consent of, [HEDA].”

10. GEO Group has entered into an agreement with the Oklahoma Department of Corrections to allow the Oklahoma Department of Corrections to sublease the Facility from GEO Group as allowed under the terms of the Lease Agreement between HEDA and GEO Group.

11. GEO Group has timely paid all rents owed to HEDA under the terms of the Lease Agreement. GEO Group has fulfilled all of its obligations to HEDA under the terms of the Lease Agreement.

12. Effective March 1, 2000, HEDA and Cornell Corrections of Oklahoma, Inc. entered into an “Intergovernmental and Private Prison Contractor Agreement” (hereinafter “IPPCA”). Under the terms of the IPPCA, Hinton established the Facility as an adult medium security correctional facility to house inmates. Cornell Corrections of Oklahoma, Inc. was originally designated the private prison contractor to manage, maintain, and operate the Facility.

13. Under the terms of §4.1 of the IPPCA, Hinton and HEDA agreed to pay Cornell Corrections of Oklahoma, Inc. a base management fee in the amount set forth in the IPPCA. GEO Group is the successor in interest to Cornell Corrections of Oklahoma, Inc. and has acquired all right, title and interest of Cornell Corrections of Oklahoma, Inc. under the terms of the IPPCA.

14. The base management fee was premised upon the existence of a contract for housing of inmates with a “Jurisdiction” such as the Oklahoma Department of Corrections. The IPPCA, §4.1, states that this base management fee shall be an amount equal to the Inmate Contract’s per diem rate multiplied by the number of days inmates are housed at the Facility “less the amounts reserved to [HEDA]” under §4.3 of the IPPCA.

15. HEDA reserved out of the base management fee that was to be paid to GEO Group the sum of \$1.00 per day for each inmate housed in the Facility. Under the terms of the IPPCA, if the inmate contract per diem with the jurisdiction (such as the Oklahoma Department of Corrections), was raised above a certain amount, then the amount reserved by Hinton and/or HEDA would be increased up to a maximum reservation of \$1.25 per inmate day.

16. Any obligation of GEO Group to pay Hinton and/or HEDA the amounts allegedly reserved under §4.3 of the IPPCA was dependent upon the existence of an inmate housing contract with the Oklahoma Department of Corrections or some other governmental entity.

17. As allowed by the Lease Agreement existing between GEO Group and HEDA, GEO Group subleased Facility directly to the Oklahoma Department of Corrections. In 2023, the Oklahoma Department of Corrections began housing inmates at the Facility under the direct supervision and control of the Oklahoma Department of Corrections. GEO Group does not staff the Facility and does not serve

as a private prison contractor for the supervision of inmates at the Facility. Because there is no inmate contract existing between GEO Group, Hinton and/or HEDA and the Oklahoma Department of Corrections for the supervision and housing of inmates, there is no base management fee available to GEO Group under the IPPCA. Thus, HEDA and Hinton are not entitled to reserve any payments out of a base management fee. There simply is no “base management fee” under the current circumstances.

18. On May 18, 2023, HEDA and/or Hinton made demand upon GEO Group asserting that GEO Group owed HEDA a daily per diem rate of \$1.25 per inmate housed at the Facility. GEO Group responded, advising HEDA and Hinton that no such daily per diem rate is owed to HEDA and/or Hinton because GEO Group has subleased the Facility to the Oklahoma Department of Corrections and does not staff or operate the Facility. Because there is no Inmate Contract (as that term is defined in the IPCCA) between the Oklahoma Department of Corrections and GEO Group or any of the Defendants and no corresponding “base management fee,” GEO Group has no obligation to make any payments of a per diem rate to the Defendants under the clear terms of the IPPCA. GEO Group’s only obligation is to continue to pay in arrears to HEDA the \$100,000 annual rent as set forth in the Lease Agreement.

19. HEDA and/or Hinton have continued to invoice GEO Group for a per diem rate of \$1.25 per prisoner housed at the Facility. The parties have failed to reach a resolution of this dispute. There is an ongoing and justiciable dispute between GEO Group and the Defendants regarding the financial obligations of GEO Group, if any, to

the Defendants under the terms of the IPPCA. GEO Group has no other adequate remedy by which this controversy may be resolved other than that which is requested by this Complaint for Declaratory Judgment.

REQUESTED RELIEF

WHEREFORE, GEO Group seeks a Declaratory Judgment that it has no obligation to make any payments to the Defendants under the terms of the IPPCA, and that GEO Group's obligations to the Defendants are limited to making rental payments that are owed under the existing Lease Agreement. GEO Group respectfully prays this Court enter judgment in its favor and against the Defendants as set forth above, and provide such other and further relief, as this Court may deem appropriate.

Respectfully submitted,

s/ Randall J. Wood
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